

**STATE OF MAINE
WORKERS' COMPENSATION BOARD
OFFICE OF MONITORING, AUDIT & ENFORCEMENT**

v.

CLAIMS MANAGEMENT, INC.

CONSENT DECREE

This agreement ("Consent Decree") is by and between Claims Management, Inc. ("CMI") and the Maine Workers' Compensation Board ("Board").

NOW COME the parties and agree as follows:

1. WHEREAS, CMI is the Workers' Compensation claims administrator for Wal-Mart Stores, Inc. and its subsidiaries including SAM'S CLUB (collectively "Wal-Mart") in the State of Maine; and
2. WHEREAS, pursuant to 39-A M.R.S.A. §§153 and 359, the Audit Division of the Board audited 100 claim files of CMI for the years ending December 31, 2004 and December 31, 2005; and
3. WHEREAS, in its August 3, 2006 Compliance Audit Report, the Board identified four violations of 39-A §205(3); one violation of 39-A §324(2)(A); 16 violations of 39-A M.R.S.A. §360(1)(A); 136 violations of 39-A M.R.S.A. §360(1)(B), and one violation of 39-A M.R.S.A. §359(2) ("August 3, 2006 Compliance Audit Report"), as more fully delineated below; and
4. WHEREAS, the Board proposed eight separate consent decrees between the Board and CMI, which proposed consent decrees were designed to resolve each of the violations set forth in the August 3, 2006 Compliance Audit Report; and
5. WHEREAS, CMI desires to resolve all of the issues set forth in the August 3, 2006 Compliance Audit Report and in each of the currently pending proposed consent decrees in an efficient, unified and coordinated manner; and
6. WHEREAS, CMI has cooperated with the Board in the audit process leading to the August 3, 2006 Compliance Audit Report and in discussions leading to this Consent Decree, and has

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implemented remedial measures to correct and address the issues identified in the August 3, 2006 Compliance Audit Report; and

7. WHEREAS, the parties recognize that CMI and the Board have negotiated this Consent Decree in good faith; that implementation of the Consent Decree will avoid the time and expense of litigation between the parties, and that it is fair, reasonable, and in the public interest;

8. NOW, THEREFORE, in consideration of the foregoing and to resolve the violations cited in the August 3, 2006 Compliance Audit Report, the parties agree as follows:

VIOLATIONS OF §205(3)

9. That Amber Atwater alleged a 7/23/05 work-related injury while employed by Wal-Mart.
10. That it is unknown when Amber Atwater gave notice of incapacity from work for her alleged injury.
11. That Amber Atwater was compensated and received subsequent compensation for her alleged period of incapacity.
12. That the payment made to Amber Atwater on 9/23/05 for incapacity from 7/24/05 to 7/31/05 was made 47 days after compensation became due and payable on 8/7/05.
13. That Richard Caron alleged a 1/26/05 work-related injury while employed by Wal-Mart.
14. That Richard Caron gave notice of incapacity from work for his alleged injury on 1/27/05.
15. That Richard Caron was compensated and received subsequent compensation for his alleged period of incapacity.
16. That the payment made to Richard Caron on 9/23/05 for incapacity from 1/27/05 to 2/3/05 was made 225 days after compensation became due and payable on 2/10/05.
17. That Mary Craig alleged an 11/1/04 work-related injury while employed by Wal-Mart.
18. That Mary Craig gave notice of incapacity from work for her alleged injury on 11/2/04.

19. That Mary Craig was compensated and received subsequent compensation for her alleged period of incapacity.

20. That the payment made to Mary Craig on 9/21/05 for incapacity from 8/2/05 to 8/8/05 was made 37 days after compensation became due and payable on 8/15/05.

21. That Travis Hewes alleged a 5/17/05 work-related injury while employed by Wal-Mart.

22. That Travis Hewes gave notice of incapacity from work for his alleged injury on 5/20/05.

23. That Travis Hewes was compensated and received subsequent compensation for his alleged period of incapacity.

24. That the payment made to Travis Hewes on 9/23/05 for incapacity from 6/5/05 to 6/11/05 was made 97 days after compensation became due and payable on 6/18/05.

25. That CMI has paid: \$850.00 to Amber Atwater; \$1,500.00 to Richard Caron; \$350.00 to Mary Craig; and \$1,500.00 to Travis Hewes; for a total payment of \$4,200.00, to resolve the §205(3) violations referenced in Paragraphs 9 through 24 and in full satisfaction of those violations.

26. That nothing in this Consent Decree shall be construed as a waiver of the §205(3) Claimants' (Amber Atwater's, Richard Caron's, Mary Craig's, and/or Travis Hewes's) rights to seek any weekly compensation benefits to which they may be entitled.

VIOLATIONS OF §324(2)

27. That Robin Hudson alleged a 9/15/04 work-related injury while employed by Wal-Mart.

28. That an Order in the case of Robin Hudson v. Wal-Mart/Claims Management, Inc. was mailed on 4/28/05.

29. That a final medical expense payment pursuant to the Order was not issued until 8/11/05.

30. That the payment to Bruns Chiropractic Clinic was made 92 days late.

31. That in order to resolve the violation of §324(2) referenced in Paragraphs 27 through 30, CMI agrees to pay the amount of \$4,600.00 to Robin Hudson to resolve the §324(2) violation and in full

satisfaction of the violation. A copy of the payment to Robin Hudson shall be sent to the attention of the Audit Division, Workers' Compensation Board, 27 State House Station, Augusta, Maine 04333.

32. That nothing in this Consent Decree shall be construed as a waiver of Robin Hudson's right to seek any weekly compensation benefits to which she is or may be entitled.

VIOLATIONS OF § 360(1)(A)

33. That the following forms were required pursuant to 39-A M.R.S.A §357 and Workers' Compensation Board Rules at Chapter 1, Section 7 and Chapter 8, Section 1:

Employee	Date of Injury	Forms Not Filed
Curry	4/16/2004	WCB-11, Statement of Compensation Paid, Interim
Decesere	1/29/2004	WCB-11, Statement of Compensation Paid, Interim
Dostie	6/11/2004	WCB-11, Statement of Compensation Paid, Interim
Goodale	7/13/2004	WCB-11, Statement of Compensation Paid, Interim
Heald	3/15/2004	WCB-11, Statement of Compensation Paid, Interim
Hughes III	1/8/2004	WCB-11, Statement of Compensation Paid, Interim
Johnson	4/8/2004	WCB-11, Statement of Compensation Paid, Interim
Labossiere	3/7/2005	WCB-11, Statement of Compensation Paid, Interim
Libby	8/5/2004	WCB-11, Statement of Compensation Paid, Interim
Monroe	7/23/2004	WCB-11, Statement of Compensation Paid, Interim
Scott	6/6/2004	WCB-11, Statement of Compensation Paid, Interim
Smith	3/26/2004	WCB-11, Statement of Compensation Paid, Interim
Steeves, Jr.	10/6/2004	WCB-11, Statement of Compensation Paid, Interim
Suddy	4/25/2004	WCB-11, Statement of Compensation Paid, Interim
Swan	5/18/2004	WCB-11, Statement of Compensation Paid, Interim
Tarr	9/1/2004	WCB-11, Statement of Compensation Paid, Interim

34. The forms listed above were not filed. CMI has been informed by the Board that the forms are not needed because CMI has filed the "Final Statement of Compensation Paid" form in each instance listed in the preceding paragraph.

35. That the failure to file the foregoing "Statement of Compensation Paid, Interim" forms represents sixteen (16) separate violations of 39-A M.R.S.A. §360(1)(A).

36. That CMI agrees to pay a total amount of \$1,600.00 to resolve all of the violations of §360(1)(A) referenced in Paragraphs 33 through 35 and in full satisfaction of those violations. The payment shall be payable to Treasurer, State of Maine, and shall be sent to the attention of Mr. Steven

Minkowsky, Deputy Director of Benefits Administration, Workers' Compensation Board, 27 State House Station, Augusta, Maine 04333-0027.

VIOLATIONS OF §360(1)(B)

37. That the following forms were required pursuant to 39-A M.R.S.A. §§303 and 357 and Workers' Compensation Board Rules at Chapter 1, Section 7 and Chapter 8, Section 1:

Employee	Date of Injury	Forms Filed Late
Atwater	7/23/2005	WCB-1, Employer's First Report of Occupational Injury or Disease WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Billings	3/21/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Blier	1/9/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Caron	1/26/2005	WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-11, Statement of Compensation Paid, Interim
Carver	5/25/2005	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-9, Notice of Controversy
Caswell	5/13/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Chavanne	6/6/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Chiott	10/30/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Clapp	6/30/2005	WCB-1, Employer's First Report of Occupational Injury or Disease WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement

		WCB-3, Memorandum of Payment
Collins	2/5/2005	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Craig	11/1/2004	WCB-11, Statement of Compensation Paid, Interim
Crockett	6/24/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Curry	4/16/2004	WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-11, Statement of Compensation Paid, Final
Decesere	1/29/2004	WCB-2, Wage Statement WCB-11, Statement of Compensation Paid, Final
Dennis	11/26/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Dostie	6/11/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-11, Statement of Compensation Paid, Final
Dudley	10/13/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Dunn	7/5/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Eirby	5/8/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Farris	6/5/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Fickett	10/28/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Ford	4/13/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement

		WCB-11, Statement of Compensation Paid, Interim and Final
Fortnam	6/25/2005	WCB-1, Employer's First Report of Occupational Injury or Disease WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-3, Memorandum of Payment
Gagne	4/18/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Gibson	3/11/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Giroux	4/25/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Gonzalez	7/30/2005	WCB-1, Employer's First Report of Occupational Injury or Disease
Goodale	7/13/2004	WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-3, Memorandum of Payment WCB-11, Statement of Compensation Paid, Final
Grainger	12/17/2004	WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-11, Statement of Compensation Paid, Interim
Harding	8/22/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Heald	3/15/2004	WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-11, Statement of Compensation Paid, Interim
Hewes	5/17/2005	WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-3, Memorandum of Payment
Hudson	9/15/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Hughes III	1/8/2004	WCB-1, Employer's First Report of Occupational Injury or Disease WCB-2A, Schedule of Dependent(s) and Filing Status Statement

		WCB-11, Statement of Compensation Paid, Final
Johnson	4/8/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-11, Statement of Compensation Paid, Interim
Karnes	8/4/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Labossiere	3/7/2005	WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-3, Memorandum of Payment
Leborgne	6/22/2005	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Libby	8/5/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Magoon	4/5/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Martin	11/26/2004	WCB-11, Statement of Compensation Paid, Interim
Meachern	3/26/2005	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Mitchell	5/1/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Monroe	7/23/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement WCB-11, Statement of Compensation Paid, Interim
Nichols	5/20/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Poliquin	1/16/2005	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Poulin	7/22/2005	WCB-2A, Schedule of Dependent(s) and Filing Status Statement

Powers	2/25/2004	WCB-2, Wage Statement
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Reniewicz	3/4/2004	WCB-11, Statement of Compensation Paid, Interim and Final
Richardson	6/6/2004	WCB-2, Wage Statement
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Rooff	2/1/2004	WCB-2, Wage Statement
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Rossignol	10/13/2004	WCB-2, Wage Statement
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Scott	6/6/2004	WCB-2A, Schedule of Dependent(s) and Filing Status Statement
		WCB-11, Statement of Compensation Paid, Final
Secord IV	5/1/2005	WCB-1, Employer's First Report of Occupational Injury or Disease
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Smith	3/26/2004	WCB-2A, Schedule of Dependent(s) and Filing Status Statement
		WCB-11, Statement of Compensation Paid, Final
Steeves	11/21/2004	WCB-2, Wage Statement
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Steeves, Jr.	10/6/2004	WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Stephenson	7/19/2005	WCB-1, Employer's First Report of Occupational Injury or Disease
Stevens	5/11/2005	WCB-1, Employer's First Report of Occupational Injury or Disease
		WCB-2, Wage Statement
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Strother	3/16/2005	WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Suddy	4/25/2004	WCB-2, Wage Statement
		WCB-2A, Schedule of Dependent(s) and Filing Status Statement
		WCB-11, Statement of Compensation Paid, Final
Swan	5/18/2004	WCB-11, Statement of Compensation Paid, Final

Tarr	9/1/2004	WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Taylor	4/5/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement
Williams	3/8/2004	WCB-11, Statement of Compensation Paid, Interim
York	6/8/2004	WCB-2, Wage Statement WCB-2A, Schedule of Dependent(s) and Filing Status Statement

38. That the forms listed above were filed late.

39. That the failure to file the foregoing forms timely represents one hundred thirty-six (136) separate violations of 39-A M.R.S.A. §360(1)(B).

40. That CMI agrees to pay the total amount of \$12,750 to resolve all of the violations of § 360(1)(B) referenced in Paragraphs 37 through 39 and in full satisfaction of those violations. The payment shall be payable to Treasurer, State of Maine, and shall be sent to the attention of Mr. Steven Minkowsky, Deputy Director of Benefits Administration, Workers' Compensation Board, 27 State House Station, Augusta, Maine 04333-0027.

VIOLATION OF §359(2)

41. That CMI violated Section 359(2) for the following reasons (including, but not limited to):

- Excessive form filing and/or failure to file or timely file required forms;
- Failure to discontinue benefits properly;
- Failure to calculate benefits accurately;
- Failure to pay benefits timely;
- Filing Notices of Controversy prior to investigation of claims;
- Filing Notices of Controversy that were not required;
- Filing Notices of Controversy contesting lost time because the "10-day provider" did not authorize the lost time; and
- Filing Notices of Controversy even though the only medical report was an M-1 report indicating the injury was work-related.

42. That no formal hearing is required because of this Consent Decree.

43. That the findings referenced in Paragraph 41 shall be certified to the Bureau of Insurance pursuant to 39-A M.R.S.A. §359(2).

44. That CMI agrees to pay the amount of \$10,000.00 to resolve the violation of §359(2) referenced in Paragraph 41 and in full satisfaction of the violation. The payment shall be payable to Treasurer, State of Maine, and shall be sent to Mr. Steven Minkowsky, Deputy Director of Benefits Administration, Workers' Compensation Board, 27 State House Station, Augusta, Maine 04333-0027.

RELEASE OF CLAIMS

45. The Board, including, without limitation, the Office of Monitoring, Audit & Enforcement, agrees that it shall not seek any additional penalties from CMI for violations that have or may have occurred with respect to the 100 files that were audited through August 3, 2006 – the date of the Compliance Audit Report.

BY SIGNATURE BELOW, the parties hereto execute this Consent Decree consisting of eleven pages as a binding resolution of the matters set forth herein.

CLAIMS MANAGEMENT, INC.

Dated:

9/5/06

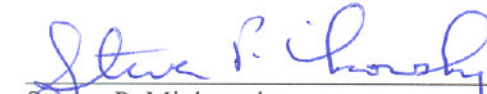


K. Max Koonce, President
Claims Management, Inc.

MAINE WORKERS' COMPENSATION BOARD

Dated:

September 11, 2006



Steven P. Minkowsky
Deputy Director of Benefits Administration
Workers' Compensation Board

Dated:

September 12, 2006



Jan McNitt
Supervisor of the Abuse Investigation Unit
Workers' Compensation Board